August 2017





Farm Service Agency Electronic News Service

NEWSLETTER

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- Important Dates to Remember and Interest Rate for August

Colorado State FSA eNewsletter

USDA Farm Service Agency-Colorado

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Acting State Executive Director:

Jenny Peterson

State Committee;

Armando Valdez, Chairman Marsha Daughenbaugh Anita Nein Bill Warren James Hume

Next State Committee Meeting:

Sept. 20 & 21

Online directory of FSA Offices

Reasonable Accommodations:

People with disabilities who require accommodations to participate in FSA programs should contact the County

2016 PLC Payment Rates and ARC Actual Prices for Wheat, Barley and Oats

The Agricultural Act of 2014 provides for payments for covered commodities through the Price Loss Coverage (PLC) program when the market year average price is below the reference price. Agricultural Risk Coverage (ARC) program payments are triggered when the actual revenue is below the guarantee established for the program.

The Marketing Year Average (MYA) price for wheat, barley and oats was announced June 29, resulting in a PLC payment rate of \$1.61 per bushel for 2016 wheat and \$0.34 per bushel for 2016 oats. There is no PLC payment on 2016 barley.

For Agriculture Loss Coverage – County (ARC-CO), actual crop revenue is calculated by multiplying the actual average yield for your county times the higher of the MYA price or the national loan rate. For 2016, the following prices have been set – wheat at \$3.89 per bushel; barley at \$4.96 per bushel; and oats at \$2.06 per bushel. 2016 county yields will not be available until this fall.

Agriculture Loss Coverage—Individual Option (ARC-IC) will utilize the same prices as ARC-CO, however the actual crop revenue cannot be calculated until participating producers report all production for all covered commodities planted on the farm and all MYA prices for all covered commodities planted on the farm are known. Both of these items are necessary to calculate the ARC-IC actual revenue for the farm.

Executive Director in the FSA Office in your area or Federal Relay Service at 1-800-877-8339. Alternatively, you may also contact Colorado FSA Civil Rights Coordinator Patti Finke at (720) 544-2889 or patti.finke@co.usda.gov

All 2016 ARC and PLC payments cannot be made until after Oct. 1, 2017, or the announcement of the final 2016 MYA price for the applicable covered commodity.

For information on release dates for MYA prices, ARC-CO yields and projected and final PLC payment rates, visit www.fsa.usda.gov/arc-plc and click on the "ARC/PLC Program Data" link.

Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including Colony Collapse Disorder (CCD), and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from Oct. 1, 2016 to Sept. 30, 2017 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by Nov. 1, 2017
- An application for payment by Nov. 1, 2017.

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at www.fsa.usda.gov/factsheets.

Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production purposes as doing so without prior authorization may put a producer's federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan.

Producers should notify FSA as a first point of contact prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria such as clearing any trees to create new cropland, then these areas will need to be reviewed to ensure such work will not risk your eligibility for benefits.

Landowners and operators complete the form AD-1026 - Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification to identify the proposed action and allow FSA to determine whether a referral to Natural Resources Conservation Service (NRCS) for further review is necessary.

Organic Certification Cost Share Program

The Organic Certification Cost Share Program (OCCSP) provides cost share assistance to producers and handlers of agricultural products who are obtaining or renewing their certification under the National Organic Program (NOP). Certified operations may receive up to 75 percent of their certification costs paid from Oct. 1, 2016, through Sept. 30, 2017, not to exceed \$750 per certification scope.

Eligible costs include application fees, inspection costs, fees related to equivalency agreement/arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage.

Ineligible costs include equipment, materials, supplies, transitional certification fees, late fees and inspections necessary to address National Organic Program regulatory violations.

Producers and handlers may submit OCCSP applications to FSA county offices or they may apply through participating State Agencies, which will be listed at https://www.fsa.usda.gov/programs-and-services/occsp/index as their agreements to administer the program are finalized.

The FSA OCCSP application form is available at <u>USDA's eForms site</u>, by selecting "Browse forms" and entering "OCCSP" in the "title or keywords" field on the search page.

To learn more about organic certification cost share, visit www.fsa.usda.gov/organic or contact a local FSA office by visiting http://offices.usda.gov.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented Pre-Authorized Debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at http://www.rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Pre-Authorized Debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a Pre-Authorized Debit agreement receives three payment rejections within a three month period, the Pre-Authorized Debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of Pre-Authorized Debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit http://offices.usda.gov

Farm Loan Graduation Reminder

USDA is partnering with the Farmer Veteran Coalition (FVC) to conduct agricultural credit training sessions in the Midwest for military veterans and beginning farmers and ranchers. States under consideration to host the workshops include Iowa, Illinois, Indiana, Michigan, Minnesota, Missouri, and Nebraska.

These workshops will provide individuals interested in farming as a career, including military veterans, with methods to improve business planning and financial skills, and improve understanding of the risk management tools that can help small farm operations.

Other partners include Niman Ranch a community network of more than 700 independent family farmers and ranchers, and the Farm Credit Council and the Farm Credit System, which provides loans, leases and financial services to farmers, ranchers and rural businesses across the United States. The workshops will also include assistance with credit applications and introductions to local or regional food markets.

To learn more about veterans in agriculture, visit www.usda.gov/veterans. Visit www.fsa.usda.gov/farmloans or your local Farm Service Agency (FSA) office to learn more about FSA's farm loan programs. To find your local FSA office, visit http://offices.usda.gov. More information also is available from the Farmer Veteran Coalition at www.fsarmvetco.org.

Important Dates to Remember and Interest Rate for August

Important FSA Dates to Remember:

- **NOW!!** File form CCC-633 EZ page 1 with FSA before losing beneficial interest to maintain Loan Deficiency Payment (LDP) eligibility. (To request payments, producers need to submit page 2 of the CCC-633EZ)
- **Sept. 1:** 2018 NAP Application Closing Date for Value-Loss Crops such as Nursery, Asparagus, Caneberries, Canola, Garlic, Rye, Speltz, Triticale, Christmas trees, Grass Sod, Aquaculture, Floriculture.
- Sept. 14: 2017 CRP Summer/Fall Grazing Period Ends
- Sept. 30: 2017 CRP Managed Harvesting Period Ends
- Sept. 30: 2018 NAP Application Closing Date for Spring and Winter Barley and Wheat
- Nov 12 Last day to remove hay bales from CRP
- **Nov. 20** 2018 NAP Application Closing Date for Apples, Apricots, Cherries, Grapes, Hops, Nectarines, Peaches, Pears, Plums and Prunes
- Dec. 1 2018 NAP Application Closing Date for Alfalfa, Clover, Grass, Honey, Mixed Forage, Mustard and Vetch

For more information about FSA programs, contact your local FSA office.

Ongoing Notice of Loss Requirements:

- NAP: Submit Notice of Loss within 15 calendar days of the earlier of a natural disaster occurrence, the final planting date if planting is prevented by a natural disaster, the date that damage to the crop or loss of production becomes apparent; the normal harvest date.
- NAP: For hand-harvested crops, producer must notify County Office within 72 hours of the date of damage or loss first became apparent.
- NAP: Application for Payment must be filed no later than 60 calendar days after the coverage period ends for the pay crop.
- **ELAP:** Submit Notice of Loss the earlier of 30 calendar days of when the loss is apparent or Nov. 1st after the end of the program year in which the loss occurred.
- Livestock Indemnity Program (LIP): Submit Notice of Loss within 30 calendar days of when the loss is apparent

August FSA Interest Rate:

- Farm Ownership: 3.750%
- Farm Ownership Joint Financing: 2.500%
- Farm Ownership Down Payment: 1.500%
- Farm Operating 2.750%
- Operating Microloan 5.000%

• Emergency - Actual Loss: 3.75%

Farm Storage Facility Loan 3 year term: 1.50%
Farm Storage Facility Loan 5 year term: 1.8750%
Farm Storage Facility Loan 7 year term: 2.125%
Farm Storage Facility Loan 10 year term: 2.250%
Farm Storage Facility Loan 12 year term: 2.375%
Sugar Storage Facility Loan 15 year term: 2.375%

Commodity Loan: 2.250%

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).